



Decode Risk. Unlock Opportunity.

March, 2023



Master of Ceremonies

Masha Muzyka Head of Risk Solutions Practice

Opening remarks

Helen Rider General Manager, EMEA



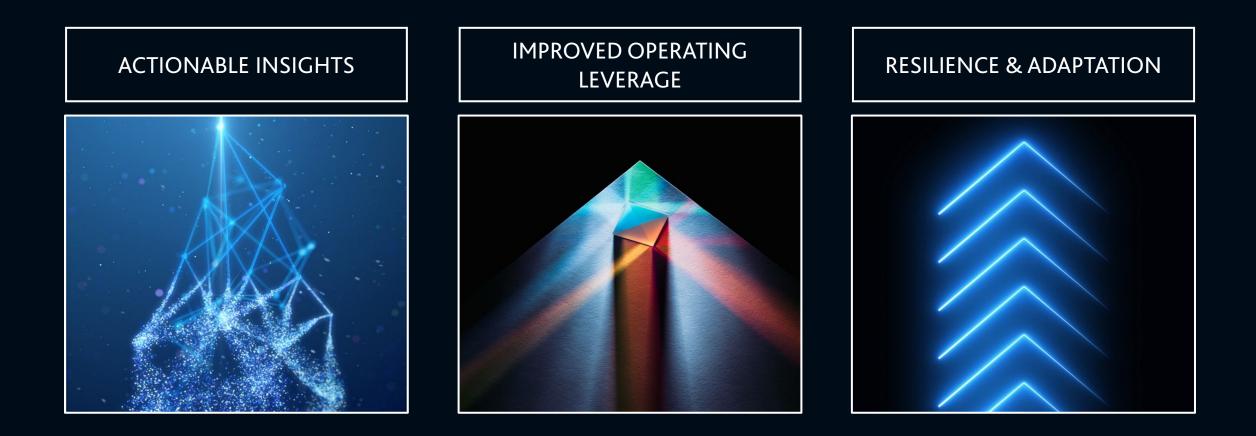


Master of Ceremonies

Masha Muzyka Head of Risk Solutions Practice



Providing outcomes that support



Agenda

- **09:30** Keynote: The changing business landscape: competitive priorities for resilient banks
- **10:15** Economic overview
- **10:45** Refreshment break
- **11:15** Panel discussion: The Next Frontier of Value Creation: What Should Banks Transform to Thrive?
- **12:15** Lunch
- **13:15** Breakout streams
- **16:45** Closing keynote: BitSight
- **17:15** Closing remarks
- 17:30 Drinks









Join at slido.com #London23

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Keynote

The changing business landscape: competitive priorities for resilient banks

Professor Moorad Choudhry





Audience Q&A Session

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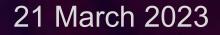
Guarav Ganguly

Chief Economist Moody's Analytics



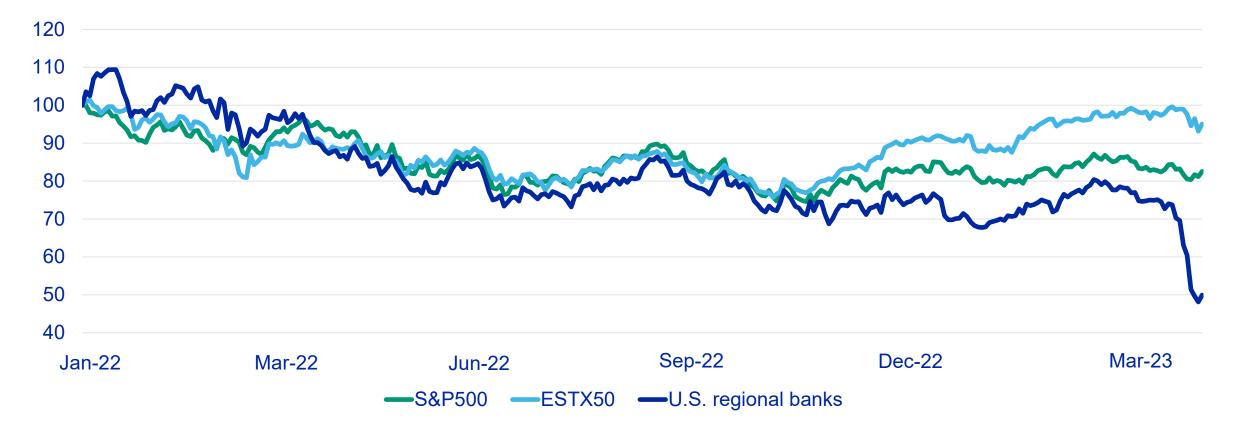
Europe: Testing Times

Gaurav Ganguly, Chief EMEA Economist



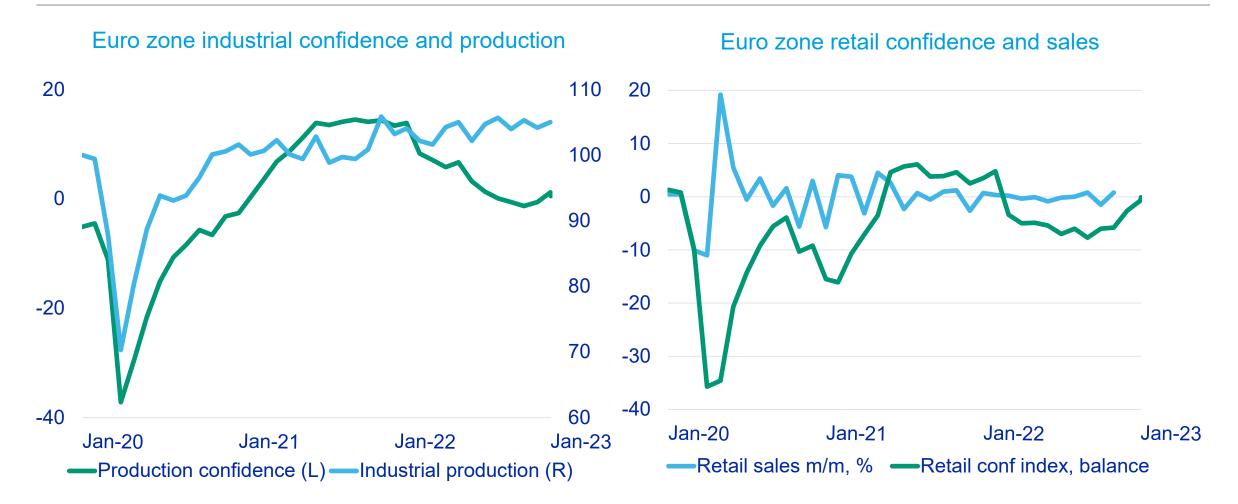
Market Turbulence Highlights Fragility

Oil prices, \$ per bbl



Source: Moody's Analytics

Confidence Has Improved

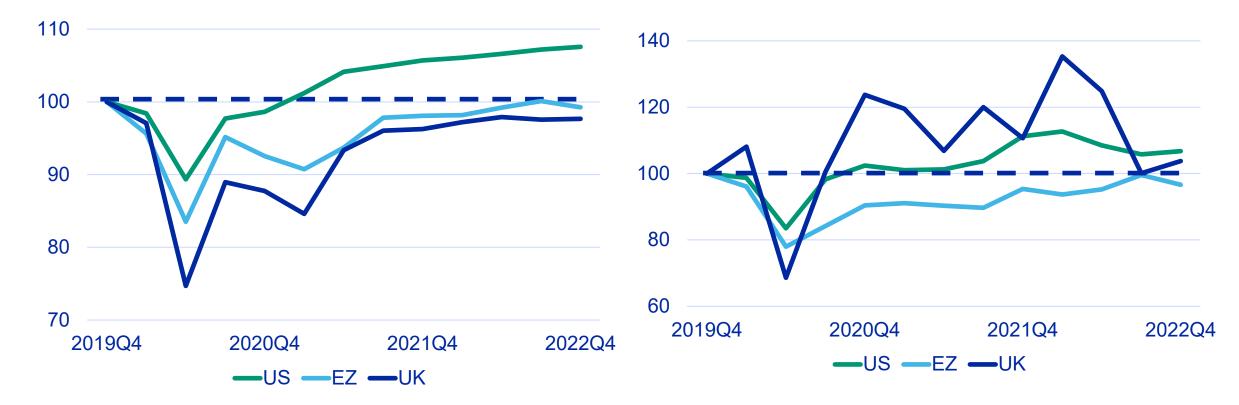


Sources: Eurostat, Moody's Analytics

The Economy is Fragile

Household Consumption (2019Q4=100)

Business Investment (2019Q4=100)



Sources: Moody's Analytics

A Soft Recovery

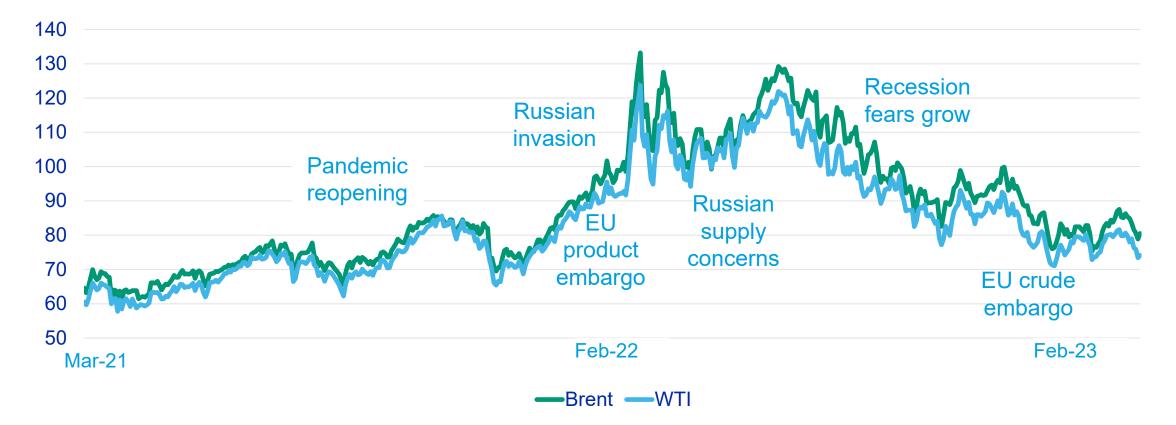
GDP growth qtr/qtr, %



Source: Moody's Analytics

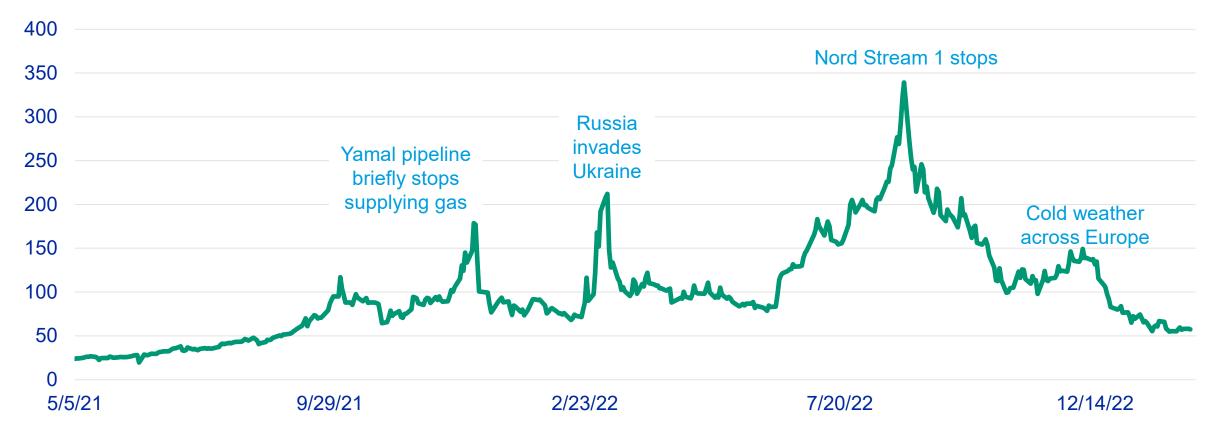
Oil Markets Shrug Off Sanctions

Oil prices, \$ per bbl



The Gas Price Has Come Down

Dutch natural gas TTF, € per MWh, 1-mo forward contract



Sources: Bloomberg, Spectron Group, Moody's Analytics

But Food Remains High

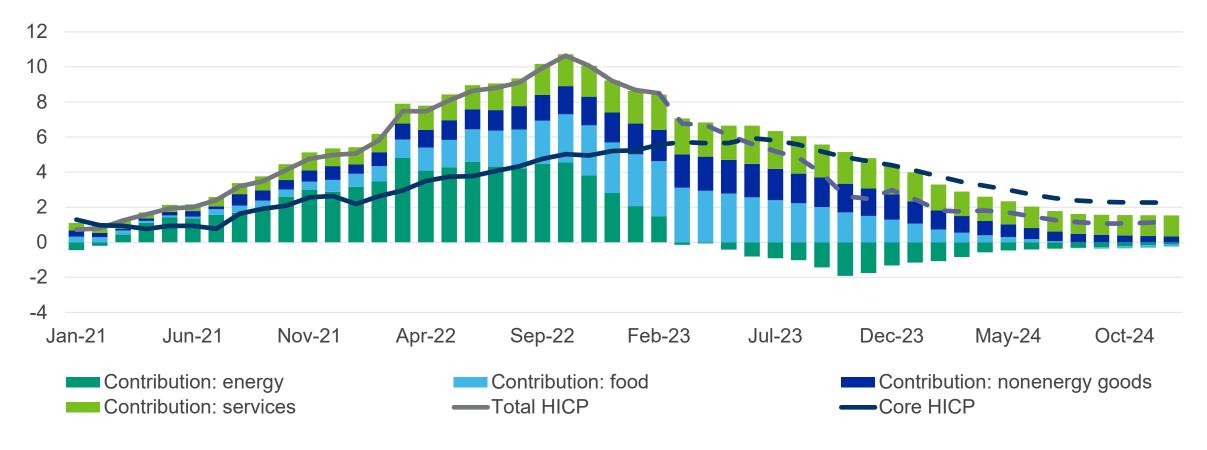
2019=100



Sources: European Commission, FAO, Moody's Analytics

Inflation Will Head Down

Euro zone HICP, % change yr ago; contributions, ppts



Sources: Eurostat, Moody's' Analytics

And Unemployment Will Hold Steady

Unemployment rate, %



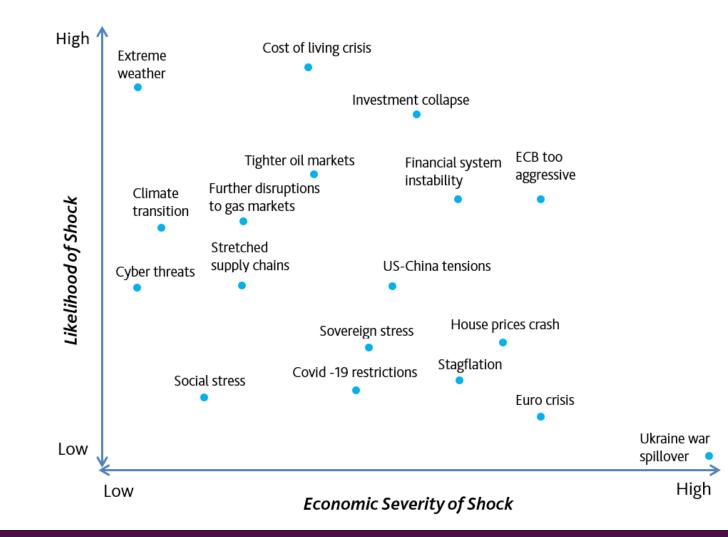
Source: Moody's Analytics

Peak in Sight

ECB policy rate, % BoE policy rate, % 5 5 4 4 3 3 2 2 0 -1 Jan-22 Jul-22 Jan-23 Jul-23 Jan-24 Jul-24 Jan-22 Jul-22 Jan-23 Jul-23 Jan-24 Jul-24 •Feb baseline Actual •Feb baseline Actual •Mar baseline (pre-SVB) •Mar baseline (pre-SVB) Mar baseline (post-SVB) Mar baseline (post-SVB)

Sources: ECB, BoE, Moody's Analytics

The Risk Map Is Crowded



Source: Moody's Analytics

MOODY'S ANALYTICS



Audience Q&A Session

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Refreshment Break



Panel Discussion

The Next Frontier of Value Creation: What Should Banks Transform to Thrive?





George Anagnastopoulos ex- CRO

Gernot Hinterleitner Head of Corporate Credit Raiffeisenbank Int





Hanna Sarraf Chief Risk Strategy Officer Starling Bank **Susan Urkevich** Head of Sustainability HSBC

Moderated by: Professor Moorad Choudhry



Audience Q&A Session

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Lunch Break



Keynote

Strategic approaches to Cyber Risk Management

Derek Vadala CRO BitSight

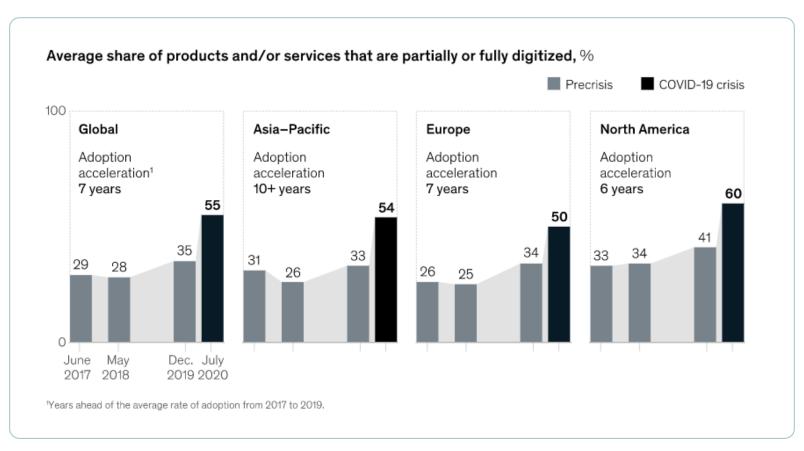


BITSIGHT®

Rising Interconnection of Risks Creates a Market Mandate for Cyber Analytics

Cybersecurity Risk is Growing Quickly

Expanding digitization, increased sophistication of threat actors and a heightened regulatory environment has resulted in cyber losses that are growing in frequency and severity

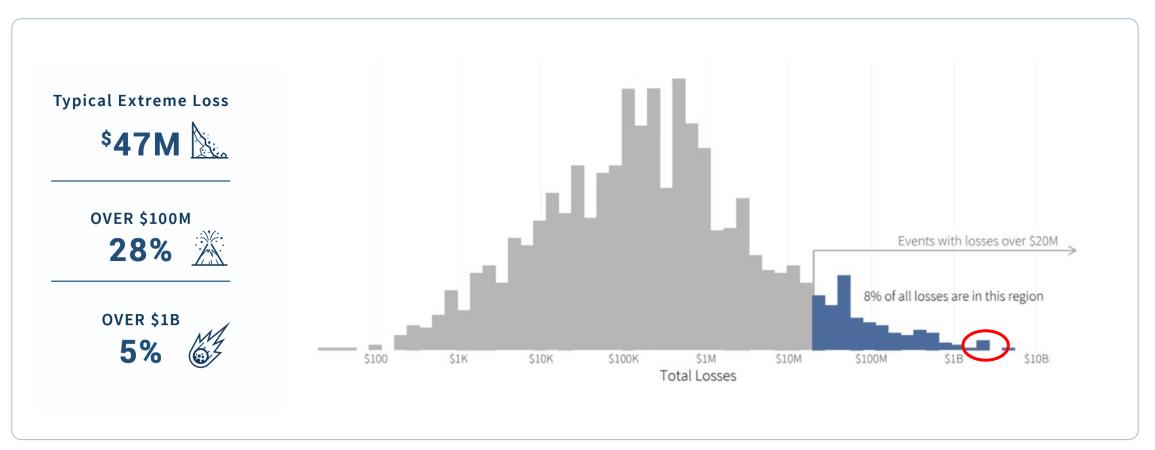


1. McKinsey (2022)



Losses have meaningful impact on organizations

Although the majority of cyber events are resolved without large financial impact, and without public disclosure, there are a growing number of events that reach materiality



1. Cyentia Institute (2020)



Impact of the invasion of Ukraine on the distribution of mobile malware

Geopolitical events create direct impact on cybersecurity exposure and digital assets and the changes are observable





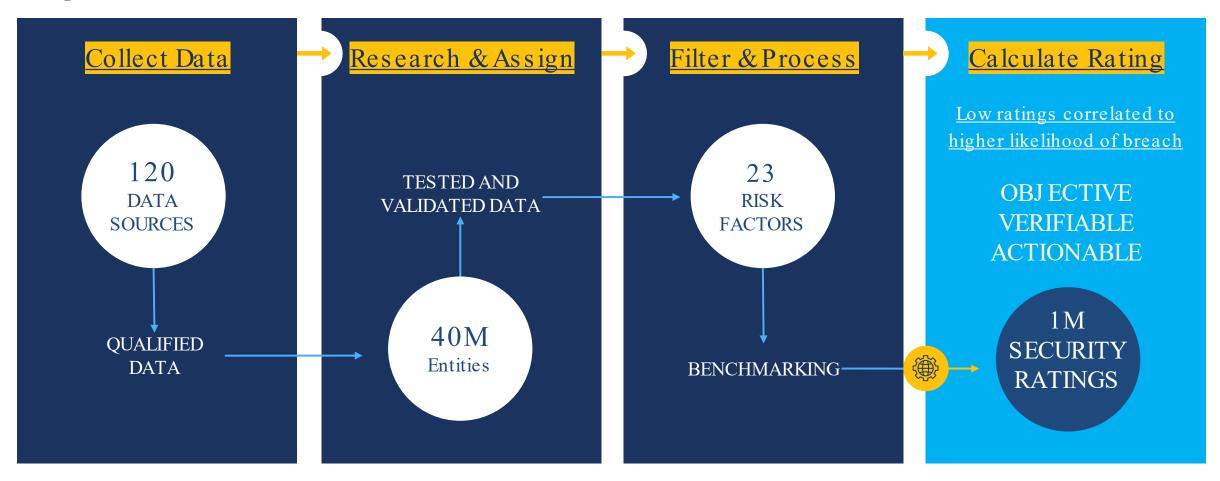
February 1-14, 2022

March 1-14, 2022

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BitSight Enables Effective Cyber Risk Assessment

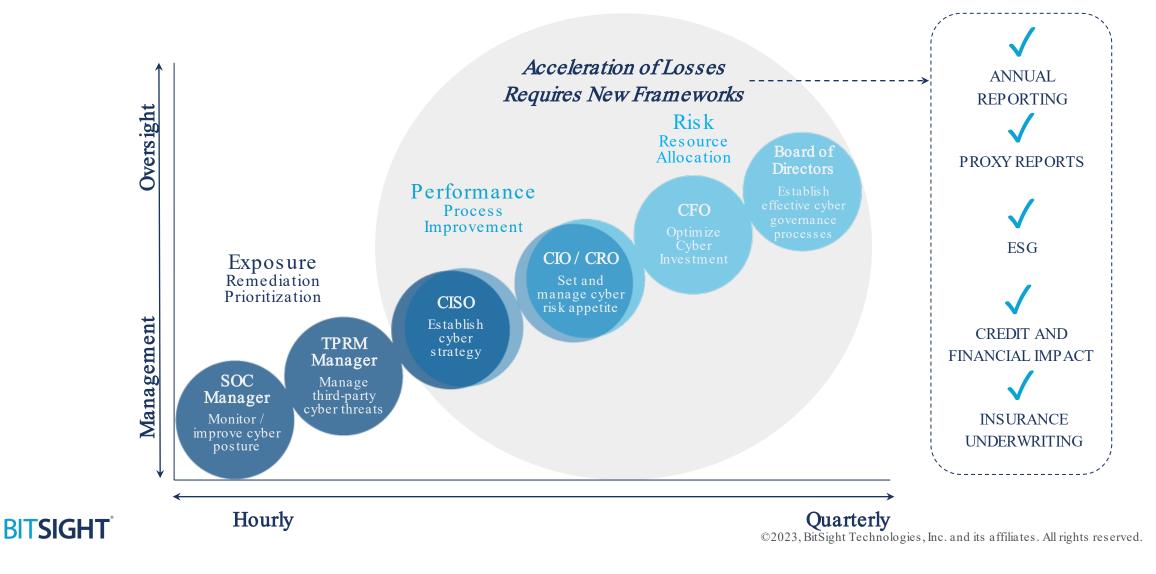
BitSight uses Internet-scale data to assess, benchmark and translate cybersecurity risk into a simple, comparable metric



BITSIGHT

Cyber Risk is Enterprise Risk

As the risk rises, cyber is a topic that cuts across organization structure and extends to counterparty risk



Cyber Risk Transfer is Becoming Increasingly Expensive

Insurance underwriters are now actively managing risk at the individual insured in addition to the portfolio

<u>Cyber Insurance</u> <u>Market Trends</u>

- Cyber insurance loss ratios nearly <u>doubled</u> from 2017-2021 driven by rise in ransomware
- Leading to significant premium increases: 100%+ in 2021 and ~50% in 2022^a
- Underwriting now requires actionable cyber analytics in order to manage loss control and remain profitable

<u>Marsh McLennan</u> Correlation Research

- Marsh McLennan is the largest cyber brokerage globally
- 14 BitSight metrics significantly correlate to MMC claims data
- Correlation unlocks loss ratio potential for carriers

REPORT Make Better Cybersecurity Dec	isions with Trusted Data Analytics				
The following Billight analytics were identified to be statistically	significant and correlated with sylnerwoneity incidents:				
StSight Security Rating	TLS/SSL Configurations				
Monuro an organization's observantly performance - how effective it is in preventing cybersonarity incidents.	Measures whether an organization has correctly configured security encryption software, and whether that software utilizes strong sucception protocols when making encrypted connections to other matchere.				
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pickly the organization retundatos them.					
Desktop Software	TLS/SSL Certificates				
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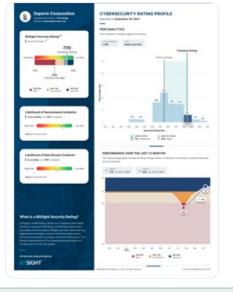
Cybersecurity Risk is a Critical Consideration in Investment Decisions

Investors are turning to cyber performance metrics to assess organizational performance & governance



- Cyber analytics are now an essential component
- Input to institutional investor voting
- 13K BitSight reports via Glass Lewis





<u>Investment</u> <u>Management</u>

- Strong, quantitative correlation to governance metrics
- Proven alpha generation to top asset managers
- Proven correlation to equity performance¹



Why Cybersecurity is the Biggest Hidden ESG Risk

 Opheneouthy is emerging as a major ISS factor for investmen, with strong alignment is financial and investment talk, growing-regulatory society, and mai-workt impact.
Corporate ophen-attacks are growing is aniesty and requirely with global loss estimates from ophenome reacting 36 tritlion

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Financial Materiality of Corporate Cybernecurity Risk

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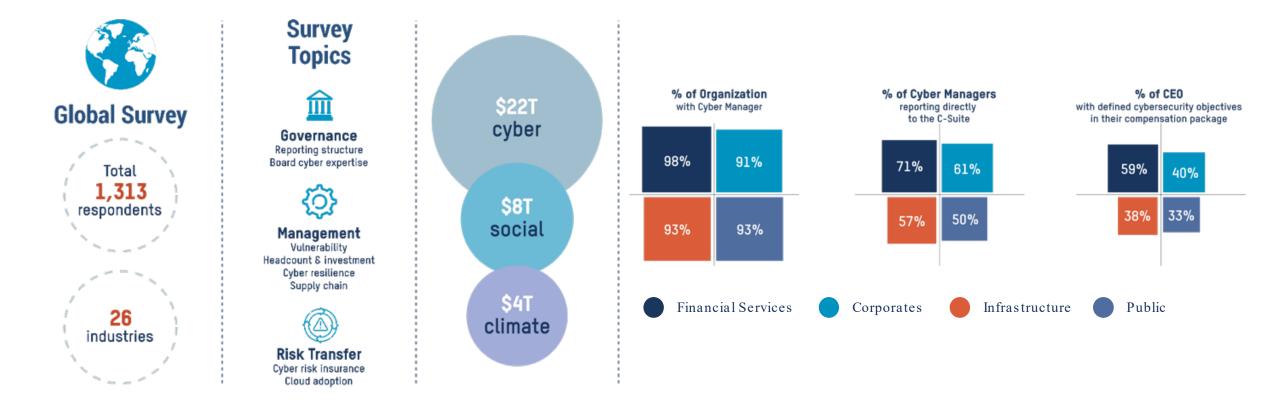
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More forms are spling for obser-insurance, will one US study finding that insurance uplike rates name here 20% in 2016 to 47% in 2016. The dwarfit oper insurance market is predicted to give to \$214 billion to 2021, from approximately \$8.1 billion in 2021.

BITSIGHT^{*} 1. Solactive

BitSight and Moody's are Building Unique Datasets

Combining BitSight analytics and MIS survey data allows for deeper insight on corporate governance





Disclosure Regulation Further Drives the Need for Analytics

Boards and executives need to measure performance and manage disclosure effectively



Press Release

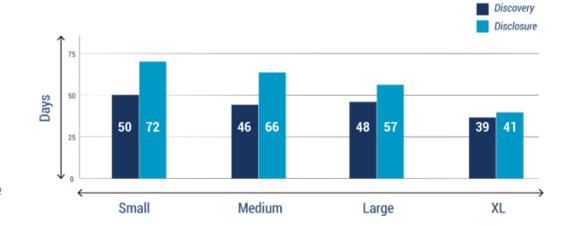
SEC Proposes Rules on Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure by Public Companies

FOR IMMEDIATE RELEASE 2022-39

Washington D.C., March 9, 2022 - The Securities and Exchange Commission today proposed amendments to its rules to enhance and standardize disclosures regarding cybersecurity risk management, strategy, governance, and incident reporting by public companies



Larger organizations are faster to incident discovery and disclosure





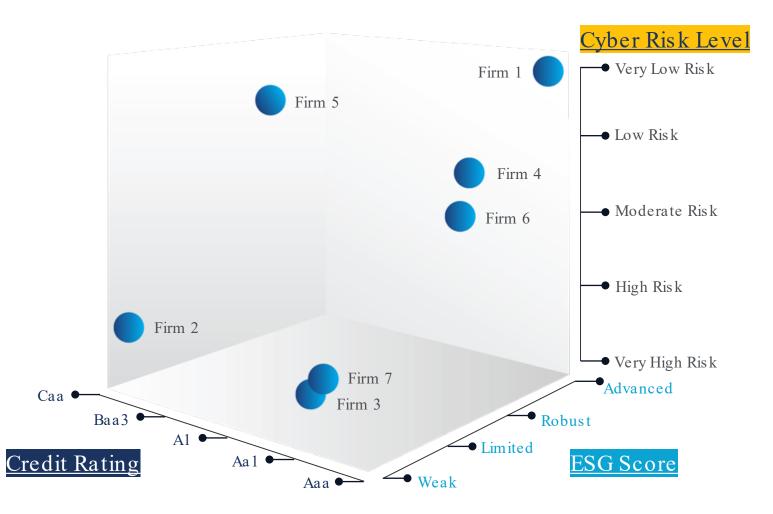
	BOD		Regulator		Public	
Financial Services	53%	47%	47%	53%	33%	67%
Corporate	47%	53%	19%	81%	20%	80%
Infra	34%	66%	20%	80%	9%	91%
Public	44%	56%	33%	67%	49%	51%
	Disclosure	Non-Disclos	21170	'		



BITSIGHT

Cyber is Critical to Integrated Risk

Effective holistic risk management requires a common taxonomy to understand interconnected risks





Audience Q&A Session

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Closing Remarks

Masha Muzyka Head of Risk Solutions Practice



How would you rate today's event?

(i) Start presenting to display the poll results on this slide.



What has been the highlight of your day?

(i) Start presenting to display the poll results on this slide.



Drinks Reception

